THE PUBLISHED ANNUAL FINANCIAL

STATEMENTS OF

THULAMELA LOCAL MUNICIPALITY

30 JUNE 2008

THULAMELA LOCAL MUNICIPALITY

CONTENTS

PART	DESCRIPTION	PAGE
1.	GENERAL INFORMATION AND APPROVAL OF FINANCIAL STATEMENTS	1&2
2.	FOREWORD	3
3	FINANCE MANAGER'S/CHIEF FINANCIAL OFFICER'S REPORT	4
4	ACCOUNTING POLICIES	6
5	BALANCE SHEET	8
6	INCOME STATEMENT	9
7	CASH FLOW STATEMENT	10
8	NOTES TO THE FINANCIAL STATEMENTS	11
9	APPENDICES	
	A STATUTORY FUNDS, RESERVES AND PROVISIONS	15
	B EXTERNAL LOANS AND INTERNAL ADVANCES	16
	C ANALYSIS OF FIXED ASSETS	17
	D ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2008	18
	E DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008	19
	F STATISTICAL INFORMATION	20

THULAMELA LOCAL MUNICIPALITY

GENERAL INFORMATION

MEMBERS OF EXCUTIVE COMMITTEE

Councillor Makumbane T.N	Mayor (Chairperson of Executive Committee)
Councillor Malindi O.T	Chairperson of Land use & Traditional Affairs Portfolio Committee
Councillor Mulandana M.A	Chairperson of Finance Portfolio Committee
Councillor Mahosi N.G	Cairperson of Housing & Electricity portfolio Committee
Councillor Mabasa K.K	Chairperson of LED portfolio Committee
Councillor Fungeni M.C	Chairperson of Education, Sports & Culture Portfolio Committee
Councillor Nenguda D.A	Chairperson of HR Portfolio Committee
Councillor Mulaudzi MS	Chairperson of Roads & Storm water portfolio Committee
Concillor Nethononda L.	Chairperson of Special programmes portfolio committee

GRADING OF LOCAL AUTHORITY

Grade 4

AUDITOR

The Auditor-General

BANKERS

First National Bank, Thohoyandou Branch, P.O. Box 284, Thohoyandou, 095(

REGISTERED OFFICE

THULAMELA Civic Centre
THOHOYANDOU
LIMPOPO

Private Bag X5066
THOHOYANDOU
0950

Telephone: 015 962 7500

MUNICIPAL MANAGER

Mathivha M.H

CHIEF FINANCIAL OFFICER

Madzhie M.A

THULAMELA LOCAL MUNICIPALITY

GENERAL INFORMATION

MEMBERS OF THULAMELA MUNICIPAL COUNCIL

The Mayor:	T.N Makumbane	
Speaker:	F.T Chauke	
Chief Whip:	M.E Mammba	
Ward Councillors:	M.P Shirindzi	M. Mukheli
	N.R Ndou	N.W. Mutoti
	M.E Musalafu	T.S. Mpilo
	K.S Chabani	M.M.Mulaudzi
	M.L.Maluleke	T.N. Mphaphului
	N.A Makuleke	N.G. Mahosi
	H.T Maluleke	T.T. Nemukula
	M.E Baloyi	H.P. Mulovhedzi
	M.P.Themba	T.D. Nyambeni
	M.J. Baloyi	M. Netshiavha
	M.C. Fungeni	M.S. Rammela
	M.N. Manganyi	K.J. Netshifhefhe
	T.N. Mtileni	M.B.Dombo
	T.S. Mathebula	E.T. Muedi
	S.G. Maluleke	S.A. Mugeri
	T.S. Mbedzi	A.J. Davhana
	M.A. Mulandana	T.S. Magada
	L.M. Madondo	T.P. Malada
	E.K. Mulaudzi	Mandiwana
PR Councillors:	J. Mabasa	K. Nemaranzhe
	O.T. Malindi	H.J. Maluleke
	N.S. Mulaudzi	L.E. Ligaraba
	D.A. Nenguda	N.A. Tshitahe
	T.J. Bila	K.E. Maholwane
	P.M. Shibambo	H.B. Ramulifho
	L. Nethononda	K.K. Mabasa
	R.E. Ngwana	N.D. Sigidane
	T.R. Ratshitanga	R.T. Marole
	M.D. Marutha	M. Kennedy
	M.B. Luthada	V.E. Mulaudzi
	A.P. Nethengwe	M.B. Muofhe
	N.A. Matambele	A. Kholophe
	T.M. Sambo	A.E. Ramudingane
	M.E. Lambani	A.E. Mkhatywa
	K.C. Mphaphuli	
	L.P. Ramaano	
	N.B. Mulaudzi	
	M.S. Phaswana	

APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on pages 4 to 19 were signed by the Municipal Manager and submitted to the Office of the Auditor-General on the 21 November 2008

MUNICIPAL MANAGER
MATHIVHA M.H

CHIEF FINANCIAL OFFICER
MADZHIE M.A

THULAMELA LOCAL MUNICIPALITY
FOREWORD
BY
THE HONOURABLE MAYOR MAKUMBANE

In our endeavor to provide basic infrastructure services we were faced with challenges of reduction of unemployment and eradicating poverty in our area of jurisdiction. The Integrated Development Plan that was produced with interaction with all stakeholders guided the Municipality in providing services required by members of the community.

We strive to provide further basic services in accordance with SA Constitution to the community with the aid to be received from MIG and other Government Grants and aids.

We are quite aware that there are no shortcuts. Achieving sustainable growth and development, requires making choices - sometimes difficult choices. It means prioritizing and reprioritizing. It demands a constant and honest evaluation of what we are doing and how we are doing it.

The 2007/2008 financial statements reflects the results of our efforts.

MAYOR
MAKUMBANE T.N

THULAMELA LOCAL MUNICIPALITY

TREASURER'S REPORT

1. OPERATING RESULTS

Details of the operating results per department, classification and object of expenditure are included in appendices D and E. The applicable statistics are shown in appendix F
The overall operating results for the year ended 30 June 2008 are as follows

INCOME	Actual 2007 R	Actual 2008 R	Variance 2007/2008 %	Budget 2007 R	Variance Actual/Budget %
Opening surplus	-	-	-	-	-
Operating income for the year	166 940 025	257 955 958	54.5	251 718 239	2.4
Closing deficit	-	-	-	-	-
	166 940 025	257 955 958		251 718 239	
EXPENDITURE					
Opening deficit	-	-	0.0	-	-
Operating expenditure for the year	203 605 533	470 784 120	131.2	143 403 795	69.5
Sundry transfers	(2 159 906)	(216 633 787)	9929.78		
Closing surplus	-	-	0.0	-	-
	201 445 627	254 150 333		143 403 795	177.2 %

1.1. **RATES, GENERAL AND HOUSING SERVICES**

	Actual 2007 R	Actual 2008 R	Variance 2007/2008 %	Budget 2007 R	Variance Actual/Budget %
Income	179 057 091	246 377 332	37.6	251 718 239	(2.2)
Expenditure	196 601 435	439 824 781	123.7	244 718 239	44.4
Surplus (deficit)	(17 544 344)	(193 447 449)	1002.6	7 000 000	103.6
Surplus (deficit) as % of total income	(9.8)%	(78.5)%	701.3	2.8 %	

1.2. **TRADING SERVICES**

Water Service

	Actual 2007 R	Actual 2008 R	Variance 2007/2008 %	Budget 2007 R	Variance Actual/Budget %
Income	(12 117 066)	11 578 626	-195.6	-	
Expenditure	7 004 098	30 959 339	342. 02	7 000 000	77.4
Surplus (deficit)	(19 121 164)	(19 380 713)	1. 4	(7 000 000)	63.9
Surplus (deficit) as % of total income	158%				

1.3. **ECONOMIC SERVICES**

Sewerege & Refuse

	Actual 2007 R	Actual 2008 R	Variance 2007/2008 %	Budget 2007 R	Variance Actual/Budget %
Income	778 883	28 525	0.0		0.0
Expenditure	1 339 354	829 470	0.0		0.0
Surplus (deficit)	(560 471)	(800 945)	0.0	-	0.0
Surplus (deficit as % of total income					

2. CAPITAL EXPENDITURE AND FINANCING

The following capital expenditure was incurred during 2007/2008

DESCRIPTION	ACTUAL 2008	BUDGET 2008	ACTUAL 2007
Roads and stormwater	22 493 716	46 731 205	36 640 924
Water supply	-	-	-
Electrification	-	7 293 000	6 885 569
Recreation	12 564 911	35 169 797	11 350 405
Municipal buildings	-	1 900 000	952 826
Vehicles	1 119 149	2 620 000	1 119 149
Other fixed assets	278 142 005	15 046 486	3 327 832
	314 319 781	**108 760 488**	**60 276 704**

The fixed assets were financed from the following funds:

DESCRIPTION	ACTUAL 2008	BUDGET 2008	ACTUAL 2007
CONTRIBUTIONS FROM:			
Own income	248 968 090	41 131 191	17 672 416.95
Grants and subsidies	65 351 690	67 629 297	42 604 287.26
	314 319 781	**108 760 488**	**60 276 704**

A complete analysis of capital expenditure is included in Appendix C

3 EXTERNAL LOANS, INVESTMENTS AND CASH

External loans outstanding, total investments from the various funds and cash were the following

	2008 R	2007 R
Investments	-	-
Bank balance	21 482 955	39 924 658

4. FUNDS, RESERVES AND PROVISIONS

The movement regarding statutory funds, reserves, trust funds and provisions is reflected in Appendix A.

THULAMELA LOCAL MUNICIPALITY

TREASURE'S REPORT (CONTINUE)

5 APPRECIATION

I hereby wish to thank the Municipal Manager and personnel for the support they have given me during the preparation of these statements.

Madzhie MA
CHIEF FINANCIAL OFFICER
THULAMELA MUNICIPALITY

THULAMELA LOCAL MUNICIPALITY

ACCOUNTING POLICIES

1. Basis of presentation

1.1. These financial statements have been prepared to conform to the standards laid down by the Institute of Municipal Finance Officers in its Code of Practice for Local for Local Government Accounting (1997) and the Published Annual Financial Statements for Local Authorities (2nd edition 1996, as amended)

1.2. The financial statements are prepared on the historical cost basis, adjusted for capital expenditure as more fully detailed in note 3. The accounting policies are consistent with those applied in previous years, except if otherwise indicated.

1.3. The financial statements are prepared on the accrual basis:
Income is accrued when measurable and available. Certain direct income is recorded when received, such as traffic fines, certain licences and governmental grants.
Expenditure is accrued in the year it is incurred.

2. Consolidation

The balance sheet includes Rate and General Services, Housing Service, Trading Services and the different funds, reserves and provisions. All inter-departmental charges are set-off against each other, with the exception of assessment rates, refuse removal, sewerage, electricity and water, which are treated as income and expenditure in the respective departments.

3. Fixed assets

3.1. Fixed assets are stated at historical cost or at valuation (based on market price at date of acquisition), where assets have been acquired by grant or donation, while they are in existence and fit for use, except in the case of bulk assets which are written off at the end of their estimated life as determined by the Treasurer.

3.2. Depreciation: The balance shown against the heading "Loans Redeemed and other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation, however, certain structural differences do exist. By way of this "provision" assets are written down over their estimated useful life.
Apart from advances from the various council funds, assets may also be acquired through:
Appropriations from operating income, where the full cost of the asset forms an immediate and direct charge against operating income, and therefore it is unnecessary to make any further provision for depreciation.
Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and other Capital Receipts" account.

3.3. All net proceeds from the sale of fixed property are credited to the Land Trust Fund. Net proceeds from the sale of other assets are credited to the Capital Development Fund or to Income.

3.4. Capital assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans and advances. Interest is charged to the service concerned at the ruling interest applicable at the time the advance is made.

4. Inventory

Inventory (stores and materials) is valued on the lower of cost determined on the First-in First-out basis or net realisable value.

5. Funds and reserves

5.1. *Capital development fund*
The Capital Development Fund Ordinance no 9 of 1978 requires a minimum contribution of 1,0% of the defined income for the immediately preceding financial year.

5.2. *Land trust fund*
The Land Trust Fund is used to finance the acquisition of land for housing projects. When land owned by the Council is sold, all proceeds therefrom are credited to the Fund.

6. Provisions

Provisions are created for liabilities or contingencies which are known at the date of the balance sheet, but for which the amounts involved cannot be determined with substantial accuracy. Provisions are made for leave payments, audit and debtors.

7. Surpluses and deficits

Any surpluses or deficits arising from the operation of the electricity and water services are transferred to Rate and General Services to alleviate the tax burden of rate payers.

8. Investments

Investments are shown at the lower of cost or market value if a permanent decline in the value occurred, and are invested according to the provisions contained in Circular 1 of 1994 issued by the Provincial Administration.

9. Income recognition

Water and electricty billings
All meters are read and billed monthly. Where meters cannot be read during a particular month, they are provisionally billed with the necessary adjustments made in the month in which they are indeed read.
The municipality is not a service provider for water and electricity but act as agent for Vhembe District Municipality for water provision.

Assessment rates

Assessment rates is levied in phases. Tax is levied on land value only.
Rebates was given for rural residential sites..

10. Comparative figures

Certain figures in the financial statements were regrouped.

11. Leased Assets

Fixed assets held under finance leases are capitalised. Such assets are effectively amortised over the term of the lease agreement. Lease finance charges are allocated to the accounting period over the duration of the lease, by the effective interest rate method, which reflects the extent and cost of lease finance utilised in each accounting period.

All other leases are treated as operating leases and the relevent lease rentals are charged in the operating account in a systematic manner related to the period of use of the assets.

THULAMELA LOCAL MUNICIPALITY

BALANCE SHEET AT 30 JUNE 2008

	Note	2008 R	2007 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		38 659 231	38 659 231
Statutory funds	1	11 633 546	11 633 546
Reserves	2	27 025 685	27 025 685
RETAINED SURPLUS / (ACCUMULATED DEFICIT)	18	86 211 309	82 405 684
		124 870 540	121 064 915
TRUST FUNDS	3	-	-
LONG-TERM LIABILITIES	4	-	-
CONSUMER DEPOSITS - SERVICES	5	214 391	217 710
		125 084 931	121 282 625
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	6	-	-
INVESTMENTS	7	-	-
LONG-TERM DEBTORS	8	2 662 429	738 552
DEFFERED CHARGES	11	-	-
		2 662 429	738 552
NET CURRENT ASSETS		122 422 500	120 544 072
CURRENT ASSETS		253 567 097	143 984 602
Debtors	10	227 269 004	98 754 517
Cash		21 482 955	39 924 658
Stock	9	3 108 325	1 674 412
Short-term investment	7	-	-
Short-term portion of long-term debtors	8	1 706 813	3 631 015
CURRENT LIABILITIES		131 144 596	23 440 530
Provisions :	12	-	5 067 762
Creditors	13	131 144 596	18 372 768
Short-term portion of long-term liabilities	4	-	-
Bank overdraft			
		125 084 929	121 282 624

THULAMELA LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 R	2007 R
CASH RETAINED FROM OPERATING ACTIVITIES		295 878 078	63 657 540
Cash generated by operations	19	301 297 739	2 857 507
Investment income	APP D	16 827 667	23 207 000
(Increase) / decrease in working capital	20	(22 247 328)	37 593 034
		295 878 078	63 657 540
Less: External interest paid	17	-	-
Cash available from operations		295 878 078	63 657 540
Cash contributions from the public and State	APPEN C		
Proceeds on disposal of assets	APPEN A		
CASH UTILISED IN INVESTMENT ACTIVITIES			
Investment in fixed assets	APPEN C	(314 319 781)	(60 276 704)
Project expenditure		-	-
NET CASH FLOW		(18 441 703)	3 380 836
CASH EFFECTS ON FINANCING ACTIVITIES			
Increase / (decrease) in long-term loans	21	-	-
(Increase) / decrease in cash investments	22	-	-
(Increase) / decrease in cash	23	18 441 703	(3 380 835)
NET CASH (GENERATED) / UTILISED		18 441 703	(3 380 835)

THULAMELA LOCAL MUNICIPALITY

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

2007 Actual Income R	2007 Actual Expenditure R	2007 Surplus / (Deficit) R		2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus / (Deficit) R	Budget Surplus / (Deficit) R
			RATE AND GENERAL			0	
179 057 091	196 601 435	(17 544 344)	**SERVICES**	246 377 332	439 824 781	(193 447 449)	7 852 767
178 278 209	195 262 081	(16 983 872)	Community services	246 348 807	438 995 311	(192 646 505)	7 852 767
-	-	-	Subsidised services	-	-	-	-
778 883	1 339 354	(560 471)	Economic services	28 525	829 470	(800 945)	-
(12 117 066)	7 004 098	(19 121 164)	**TRADING SERVICES**	11 578 626	30 959 339	(19 380 713)	4 528 873
166 940 025	203 605 533	(36 665 508)	TOTAL	257 955 958	470 784 120	(212 828 162)	12 381 640
		2 159 906	Appropriations for the year (refer to note 18)			216 633 787	
		(34 505 602)	Net surplus / (deficit) for the year			3 805 625	
		116 911 286	Accumulated surplus / (deficit) at the beginning of the year			82 405 684	
		82 405 684	ACCUMULATED SURPLUS / (DEFICIT) AT THE END OF THE YEAR			86 211 309	

(Refer to Appendices D and E for more detail)

			2008 R	2007 R
1	**STATUTORY FUNDS**			
	Capital development fund		11 633 546	11 633 546
	(Refer to appendix A for more detail)			
2	**RESERVES**			
	Computer Replacement Fund		950 000	950 000
	Vehicle Replacement Fund		5 948 900	5 948 900
	Working Capital Reserve		20 126 785	20 126 785
			27 025 685	27 025 685
	(Refer to appendix A for more detail)			
3	**TRUST FUNDS**			
	Mukumbani PHP			
	Waste Management Project			
	Tshifudima Project			
	Lwamondo Agro Project			
	Tamisani Rural Project			
	Murara Agriculture Project			
	Milaboni PHP			
	Xikundu Housing Project			
	Tshamutilikwa			
	Tshiavha /Tshidzivhe PHP			
	(Refer to Appendix A for more detail)			
4	**LONG-TERM LIABILITIES**			
	Government loans			
	Other loans			
	Less: Current portion transferred to current liabilities			
	(Refer to appendix B for more detail on long-term liabilities)			
5	**CONSUMER DEPOSITS - SERVICES**			
	Electricity and water	28	214 391	217 710
	Other		-	-
			214 391	217 710
6	**FIXED ASSETS**			
	Fixed assets: beginning of the year		275 420 468	215 143 765
	Capital expenditure during the year		314 319 781	60 276 704
	Less: Assets written off, transferred or disposed		(15 588 347)	-
	Total fixed assets		574 151 903	275 420 469
	Less: Loans redeemed and other capital receipts		574 151 903	275 420 468
	Net fixed assets		-	1

THULAMELA LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2008 (continued)

			2008 R	2007 R
7	**INVESTMENTS**			
	Unlisted			
	Short-term investments		-	-
			-	-
8	**LONG-TERM DEBTORS**			
	Sale of sites	69	4 172 847	4 172 847
	Housing	67	196 394	196 394
	Motor Vehicle Loan	65	0	325
			4 369 242	4 369 567
	Less: short-term portion transferred to current assets	71	1 706 813	3 631 015
			2 662 429	738 552
9	**INVENTORY**			
	Inventory represent consumable stores	72	3 108 325	1 674 412
			3 108 325	1 674 412
10	**DEBTORS**			
	VAT	76	23 092 855	10 571 058
	Government Traffic	77	(0)	186 863
	Advance payment	75	191 721	-
	RD Cheques	78	576 843	447 973
	Debtor vhembe	79	20 760 295	20 760 295
	Service debtors	73	269 251 384	145 622 761
	Other debtors	152	1 067 066	200 628
			314 940 165	177 789 578
	Less: Provision for bad debts	74	87 671 161	79 035 061
			227 269 004	98 754 517
11	**DEFFERED CHARGES**			
	Preliminary expenses		-	-
	Issue expenses		-	-
	Commission		-	-
			-	-
12	**PROVISIONS**			
	Insurance fees		-	-
	Provision for leave		-	5 067 762
	Auditor's remuneration		-	-
			-	5 067 762
13	**CREDITORS**			
	Creditor Vhembe	81	750 817	750 817
	Trade Creditors	82	993 706	3 223 703
	Sundry Creditors	83	11 975 885	603 815
	Accruals	84	129 249	12 534 361
	Retention creditors	85	2 573 763	1 253 531
	Project creditors	86	-	-
	Stafe Leave	90	5 087 241	
	Stale cheques	87	559 265	6 541
	Payment received in advance	95	30 967 043	-
	Suspense	80	78 107 626	-
			131 144 596	18 372 768
14	**ASSESSMENT RATES**			
	Residential		-	-
	Commercial and Government		6 450 040	9 854 442
	Valuation is done on a four yearly basis. Tax is levied on land value only.			
	For the year under audit 100 percent rebates were granted to rural residential sites.			
15	**COUNCILLORS' ALLOWANCES**			
	Mayors allowance		504 332	548 028
	Councillors allowances		7 908 044	8 322 480
	Car Allowance		3 138 156	3 210 325
	Telephone allowance		719 892	639 068
	Municipal Pension Contribution		1 186 206	1 248 373
	Municipal medical aid contribution		6 795	9 549
			13 463 425	**13 977 823**
16	**AUDITOR'S REMUNERATION**			
	Audit fees		750 590	362 457

CERTIFICATION
BY THE MUNICIPAL MANAGER
ON COUNCILLORS' REMUNERATION

I, _____municipal manager, certify that the remuneration of councillors .
are in accordance with the Public Office Bearers Act, Act 20 of 1998 and the Minister of Provincial determination
and Local Government ' determination of the upper limits of the salaries, allowances and benefits as
as promulgated by government notice .

_____
MUNICIPAL MANAGER

			2008	2007	
17	**FINANCE TRANSACTIONS**				
	Total Interest earned or paid				
	Interest earned		16 827 667	23 207 000	
	Interest paid				
			R	R	
18	**APPROPRIATIONS**				
	Appropriation account				
	Accumulated surplus / (deficit): beginning of year		82 405 684	116 911 286	
	Net operatindg surplus for the year		3 805 625	#########	
	Operating surplus / (deficit) for the year		(212 828 162)	#########	
	Appropriations for the year	27	216 633 787	2 159 906	
	Contribution to Capital Development Fund		-	-	
	Contribution to Leave Reserve		-	-	
	Provision for bad debts				
	Provision for insurance		-	-	
	Prior year adjustment		(9 767 873)		
	Provision for audit		-	-	9 767 873.00
	Contribution to fixed assets		226 401 660		
	Non cash items included in the operating surplus/(defecit)				
	Accumulated surplus / (deficit): end of year		86 211 309	82 405 684	
					166.67
19	**CASH GENERATED BY OPERATIONS**				
	Surplus / (deficit) for the year		3 805 625	#########	
	Adjustments in respect of previous years' operating		-	-	
	transactions		-	-	
	Appropriations charged against income:				
	Capital development fund				
	Community fund		-	-	
	Provisions and reserves		-	1 697 021	
	Fixed Assets		314 319 781	60 276 704	222 366 360.00
	Capital charges:				4 035 300.00
	Interest and redemption paid:				226 401 660.00
	to internal funds		-	-	
	on external loans		-	-	
	Investment income (operations)		(16 827 667)	#########	
	Non-operating income:				
	Credited to funds		-	61 269	
	Capital expenditure				
	Non-operating expenditure:				
	Debited to funds		-	(1 464 886)	
	Debited to provisions and reserves				
	Non-cash flow adjustment				
			301 297 739	2 857 507	
20	**(INCREASE) / DECREASE IN WORKING CAPITAL**				
	(Increase) / decrease in stock		(1 433 913)	(464 107)	
	(Increase) / decrease in debtors		(128 514 487)	23 924 396	
	(Increase) / decrease in long-term debtors		(1 923 877)	998 406	
	Increase / (decrease) in creditors, consumer deposit		107 700 747	12 349 506	
	(Increase) / decrease in short-term debtors		1 924 202	784 834	
			(22 247 328)	37 593 035	
21	**INCREASE / (DECREASE) IN LONG-TERM LOANS (EXTERNAL)**				
	Loans raised		-	-	
	Loans repaid		-	-	
			-	-	

			2008 R	2007 R
22	**(INCREASE) / DECREASE IN EXTERNAL CASH INVESTMENTS**			
	Investments made		-	-
	Investments realised		-	-
			-	-
23	**(INCREASE) / DECREASE IN CASH ON HAND**			
	Cash balance: beginning of the year		39 924 658	36 542 823
	Less: Cash balance: end of the year	88	21 482 955	39 924 658
			18 441 703	(3 381 835)
24	**RETIREMENT BENEFITS**			
	Personnel & Councillors are either members Sanlam provident fund, municipal councillors pension fund and pension for municipal workers fund.			
25	**CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS**			
	Guarantees		-	-
			-	-
26	**Remuneration of Managers**			
	Municipal Manager		**625 452**	**589 213**
	Annual remuneration		370 739	333 975
	Allowances		136 443	151 131
	Council Contributions		85 396	75 698
	bonus		32 874	28 409
	Chief Financial Officer		**552 219**	**476 613**
	Annual remuneration		333 271	278 293
	Allowances		112 937	110 254
	Council Contributions		76 425	62 540
	bonus		29 586	25 527
	Senior Manager Technical Services		**569 293**	**476 613**
	Annual remuneration		337 271	278 293
	Allowances		121 637	110 254
	Council Contributions		76 425	62 540
	bonus		33 960	25 527
	Senior Manager Corporate Services		**283 943**	**476 613**
	Annual remuneration		171 840	278 293
	Allowances		58 207	110 254
	Council Contributions		36 576	62 540
	bonus		17 320	25 527
	Senior Manager Community services		**563 759**	**476 613**
	Annual remuneration		337 271	278 293
	Allowances		150 063	110 254
	Council Contributions		76 425	62 540
	bonus		0	25 527
	Senior Manager Planning & Development		**294 655**	**0**
	Annual remuneration		197 431	0
	Allowances		80 086	0
	Council Contributions		17 138	0
	bonus		0	0
			2 889 321	**2 495 665**

			2008 R	2007 R
27	**DETAILS OF BANK ACCOUNTS (sec 125(2)(a)**			
	Name of the bank	**Account number**		
	Firs National Bank	54660078973	2 055 703	692 193
	Firs National Bank	62090588793	16 938 296	23 634 359
	Firs National Bank	62090588016	808 178	13 071 603
	Firs National Bank	62116107401	1 681 056	2 547 705
	Firs National Bank	62010452366	-	(6 028)
	Firs National Bank	62010451988	-	(16 207)
	Firs National Bank	62020603115	(320)	(320)
	Firs National Bank	62066965298	42	1 353
			21 482 955	**39 924 658**
28	**CONTRIBUTION TO ORGANISED LOCAL GOVERNMENT (sec 125(1)b**			
	Employer Contribution		**19 997**	**16 671**
	Employee contribution		17 904	16 668
	Total Contibution		**37 901**	**33 340**

THULAMELA LOCAL MUNICIPALITY

APPENDIX A

STATUTORY FUNDS, RESERVES AND PROVISIONS

			Balance at 30/6/2007	Contributions during the year	Interest on investments	Other income	Reclassification	Balance at 30/6/2008
			R	R	R	R	R	R
STATUTORY FUNDS								
Capital development fund	1	4	11 633 546	-	-	-	-	11 633 546
			11 633 546	-	-	-	-	11 633 546
RESERVES AND PROVISIONS								
Leave provision	29	30	5 067 762	-	-	-	(5 067 762)	-
Working Capital Reserves	6	9	20 126 785	-	-	-	-	20 126 785
Computer Replacement Fund	11	14	950 000	-	-	-	-	950 000
Vehicle Replacement Fund	16	19	5 948 900	-	-	-	-	5 948 900
Maintenance Reserve Fund	21	24	-	-	-	-	-	-
			32 093 447	-	-	-	(5 067 762)	27 025 685

THULAMELA LOCAL MUNICIPALITY

APPENDIX B

EXTERNAL LOANS AND INTERNAL ADVANCES

EXTERNAL LOANS	Balance at 2006/06/30	Received during the year	Redeemed or written off during the year	Balance 2007/06/30
	R	R	R	R
Government loans	-	-	-	-
Other loans	-	-	-	-
	-	-	-	-

No outstanding loans existed at the year-end

Payable in the next year R nil.
(Refer to note 4)

THULAMELA LOCAL MUNICIPALITY

APPENDIX C

ANALYSIS OF FIXED ASSETS

Expenditure 2006/2007 R	SERVICE			Budget 2007/2008 R	Balance at 30-Jun-07 R	Expenditure 2007/2008 R	Written off, transferred, redeemed or disposed of during year R	Balance at 30-Jun-08 R
53 325 629	RATE AND GENERAL SERVICES			101 467 488	233 774 662	314 319 781	-	532 506 096
39 698 005	COMMUNITY SERVICES			62 347 691	181 215 709	298 064 918	-	463 692 280
	Corporate Services	39	40			3 715 400.22	15 588 346.54	(11 872 946)
(2 233 758)	Public works	31	32	100 000	64 343 684	0.00	0.00	64 343 684
-	Building Control	96	50		-	231 243 489.01	0.00	231 243 489
36 640 924	Roads and Stormwater	35	36	46 731 205	64 798 867	22 493 715.60	0.00	87 292 582
-	Finance	45	46		-	119 607.99	0.00	119 608
5 179 245	Council's General	37	38	13 526 486	45 759 785	0.00	0.00	45 759 785
	Political Services	43	44	-	-	37 047 715.78	0.00	37 047 716
-	Municipal Manager			400 000	-	0.00	0.00	-
111 593	Traffic services	41	42	1 590 000	6 313 372	3 444 988.90	0.00	9 758 361
12 303 231	SUBSIDISED SERVICES			37 069 797	34 678 909	12 564 911	-	47 243 820
-	Civil protection			-	-	0.00	0.00	-
952 826	Municipal buildings	47	48	1 900 000	7 365 594	0.00	0.00	7 365 594
11 350 405	Parks, recreation and cemetery	51	52	35 169 797	27 313 315	12 564 911.02	0.00	39 878 226
-	Abattoir			-	-	0.00	0.00	-
1 324 393	ECONOMIC SERVICES			2 050 000	17 880 044	3 689 952	-	21 569 997
1 324 393	Cleaning	53	54	2 050 000	11 584 654	3 689 952.35	0.00	15 274 607
-	Sanitation service	55	56		6 295 390	0.00	0.00	6 295 390
6 951 075	Trading Services			7 293 000	41 645 806	-	-	41 645 806
6 885 569	Electricity service	57	58	7 293 000	18 207 447	0.00	0.00	18 207 447
65 506	Water service	59	60		23 438 359	0.00	0.00	23 438 359
60 276 704	TOTAL FIXED ASSETS			108 760 488	275 420 468	314 319 781	-	574 151 903
	LESS: LOANS							
60 276 704	-REDEEMED AND OTHER CAPITAL RECEIPTS				275 420 468	314 319 781		574 151 903
-	Loans redeemed and advances repaid				-	-		-
17 672 417	Contributions from operating income	61	62		203 345 121	248 968 090.38	15 588 346.54	436 724 865
42 604 287	Grants and subsidies	63	64		72 075 347	65 351 690.49		137 427 038
-	Reserves				-	-	-	-
-	NET FIXED ASSETS				-	-	-	-

THULAMELA LOCAL MUNICIPALITY

APPENDIX D
ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2008

Actual 2007 R			Actual 2008 R	Budget 2008 R
	INCOME			
102 953 843	Government and Provincial Grants and Subsidies	i-grant	195 550 130.47	181 203 962.00
				0.00
63 986 182	Operating Income:		0.00	0.00
9 854 442	Assessment rates	i-ass	6 450 039.98	11 698 000.00
	Interest Earned - External	i-intd	16 827 667.12	17 830 000.00
(12 117 066)	Income from: Water	i-wat	11 702 077.46	3 965 040.00
41 266 464	Income from tariffs, service charges etc.	i-serv	20 789 918.81	26 970 000.00
24 982 342	Other service charges	i-oth	6 636 124.01	48 253 750.00
166 940 025			257 955 957.85	289 920 752.00
	EXPENDITURE			
62 232 450	Salaries and allowances	e-sal	83 545 237.50	80 132 998.00
-	Councillors-Salaries	e-cnls	8 249 274.43	17 428 520.00
71 289 550	General expenses	e-gen	58 295 540.28	52 752 678.00
7 976 191	Repairs and maintenance	e-main	13 326 533.74	17 325 827.00
-	Capital charges		0.00	0.00
60 276 704	Contributions to fixed assets(plus Depreci)	e-cap	314 319 780.87	120 380 729.00
	Depreciation	e-dep	0.00	
1 830 638	Contribution to funds	e-cont	8 636 099.76	1 900 000.00
	Asset write off	e-wr	15 588 346.54	
203 605 533	Gross expenditure		501 960 813.12	289 920 752
-	Less: Amounts charged out		0.00	-
203 605 533	Net expenditure		-244 004 855	0

THULAMELA LOCAL MUNICIPALITY

APPENDIX E

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

2007 Actual Income R	2007 Actual Expenditure R	2007 Surplus / (Deficit) R		2008 Actual Income R	2008 Actual Expenditure R	2008 Surplus / (Deficit) R	Budget Surplus / (Deficit) R
179 057 091	196 601 435	(17 544 344)	**RATE AND GENERAL SERVICE**	246 377 332	439 824 781	686 202 113	7 852 767
178 278 209	195 262 081	(16 983 872)	**COMMUNITY SERVICES**	246 348 807	438 995 311	685 344 118	7 852 767
9 854 442	-	9 854 442	MUNICIPAL MANAGER	-	2 600 457	2 600 457	2 893 475
-	-	-	CORPORATE SERVICES	428 573	3 629 947	4 058 520	14 383 184
129 428 352	128 736 990	691 362	POLITICAL SERVICES	177 678 197	66 974 677	244 652 874	(57 691 239)
-	49 150 024	(49 150 024)	PROTECTION SERVICES	2 392 691	23 185 312	25 578 004	10 617 546
-	-	-	FINANCE	47 488 645	22 125 549	69 614 195	(62 520 213)
			ROADS, STORMWATER,STREETLIG	17 137 934	42 840 821	59 978 755	45 587 367
			ENVIROMENTAL HEALTH	862 849	14 672 839	15 535 687	13 866 730
			HORTICULTURE SPORT & RECREA	349 532	17 653 538	18 003 070	19 539 970
23 502 519	11 325 052	12 177 468	BUILDING CONTROL	10 386	237 833 858	237 844 244	8 200 656
15 492 896	6 050 016	9 442 880	PLANNING AND DEVELOPMENT	-	7 478 312	7 478 312	12 975 291
-	-	-	**SUBSIDISED SERVICES**	-	-	-	-
-	-	-	Library	-	-	-	-
-	-	-	Parks, estates and cemeteries	-	-	-	-
778 883	1 339 354	(560 471)	**ECONOMIC SERVICES**	28 525	829 470	857 995	-
774 546	1 339 354	(564 808)	SEWERAGE & SANITATION	28 525	829 470	857 995	-
4 337	-	4 337	REFUSE REMOVAL	-	-	-	-
		-				-	
(12 117 066)	7 004 098	(19 121 164)	**TRADING SERVICES**	11 578 626	30 959 339	42 537 965	4 528 873
(12 117 066)	7 004 098	(19 121 164)	WATER	11 578 626	30 959 339	42 537 965	4 528 873
-	-	-	Specific water service			-	
166 940 025	203 605 533	(36 665 508)	**TOTAL**	257 955 958	470 784 120	(212 828 162)	12 381 640
		2 159 906	Appropriations for the year			216 633 787	
		(34 505 602)	Net surplus / (deficit) for the year			3 805 625	
		116 911 286	Accumulated surplus / (deficit) at the beginning of the year			82 405 684	
		82 405 684	**ACCUMULATED SURPLUS / (DEFICIT) AT THE END OF THE YEAR**			86 211 309	

THULAMELA LOCAL MUNICIPALITY

APPENDIX F

STATISTICAL INFORMATION
ENDED 30 JUNE 2008

1 GENERAL STATISTICS

POPULATION	548 563
NUMBER OF EMPLOYEES	493
REGISTERED VOTERS (1999)	194 132
REGISTERED VOTERS (2004)	242 808

SEVICE DELIVERY

2.1 DWELLING TYPE

FORMAL	72 590	57%
TRADITIONAL	51 722	41%
INFORMAL	2 168	1.7%
OTHER	208	0.16%
TOTAL	**126 688**	**100%**

2.2 REFUSE

MUNICIPAL WEEKLY	10 936.000
MUNICIPAL OTHER	1 072.000
COMMUNAL DUMP	688.000
OWN DUMP	84 622.000
NO DISPOSAL	29 370.000
TOTAL	**126 688.000**

2.3 SOURCES OF ENERGY FOR LIGHTING

ELECTRICITY	75 238.00
GAS	230.00
PARAFFIN	20 029.00
CANDLES	29 915.00
SOLAR	541.00
OTHER	735.00
TOTAL	**126 688.00**

2.4 SANITATION

FLUSH TOILET	11 720
FLUSH SEPTIC TASK	1 653
CHEMICAL TOILET	827
VIP	8 155
PIT LATRINE	64 185
BUCKET LATRINE	590
NONE	39 558
TOTAL	**126 688**

2.5 WATER

DWELLING	9 984
INSIDE YARD	40 876
COMMUNITY STAND PIPE	20 799
BOREHOLE	3 662
COMMUNITY STAND PIPE OVER 200M	36 053
SPRING	4 550
RAINTANK	154
DAM/POOL/SIAGNAST	658
RIVER	4 097
WATER VENDOR	435
OTHER	5 420
TOTAL	**126 688**